

Introduction

A LOOK AROUND INDIANAPOLIS

History

Indianapolis is the twelfth-largest city in the United States, with a population of over 800,000. “On December 11, 1816 the U.S. Congress granted statehood to Indiana pursuant to the fulfillment of five provisions. One of the provisions granted four sections of land (2560 acres) for the establishment of a state capital with the condition that the location be decided prior to the public sale of federal lands surrounding the new capital.

In an act of January 6, 1821 the legislature approved the location of the new capital and provided for three commissioners, James Jones, Samuel P. Booker, and Christopher Harrison, to survey and plat the town. Section 21 of the Act affixes the town as the permanent seat of government and ‘shall be called and known by the name of Indianapolis’.”¹

Of the three commissioners, only Christopher Harrison arrived at the site on the designated date. In 1821 Judge Harrison appointed Alexander Ralston and Elias Pym Fordham joint-surveyors for Indiana’s new capital.

Alexander Ralston and Elias Pym Fordham developed the initial plan for Indianapolis. Ralston, after immigrating to America from the Great Britain, assisted in the mapping of Washington, D.C. After relocating to Louisville, Kentucky Ralston was hired by Aaron Burr to survey western lands². Ralston resided from 1818 to 1820 in Harrison County, Indiana where he met Judge Christopher Harrison.

Elias Fordham, a trained civil engineer, immigrated to America in 1817 as part of a venture to create an English colony in the Illinois Territory. “Between July, 1817 and fall, 1818 Fordham traveled through southern Indiana on business...possibly meeting Alexander Ralston.”³ While in Salem, Fordham stayed with Judge Christopher Harrison.

The selected site for the new capital was along the White River in central Indiana. For the plat of Indianapolis, Ralston advanced the idea of a “Mile Square” taking cues from Pierre L’Enfant’s plan for Washington, D.C. and other European cities. The “Mile Square,” now the heart of

Indianapolis, is “distinguished by diagonal arteries...connecting the corners of a mile square gridiron with four centrally located blocks.”⁴ Indianapolis today is a modern city with diverse neighborhoods, rich cultural traditions, and a strong economy of business.

¹ “The Indianapolis Donation.” Indianapolis Donation Database. Indiana Commission on Public Records State Archives Division. ONLINE < <http://www.state.in.us/icpr/webfile/donation/donindex.html>>. Accessed on July 22, 2002.

² Vanderstel, Sheryl D. “Alexander Ralston.” The Encyclopedia of Indianapolis. David J. Bodenhamer & Robert G. Barrows, (Eds.). Indianapolis, IN: Indiana University Press, 1994. p. 1164.

³ Vanderstel, Sheryl D. “Elias Pym Fordham.” The Encyclopedia of Indianapolis. David J. Bodenhamer & Robert G. Barrows, (Eds.). Indianapolis, IN: Indiana University Press, 1994. p. 590.

⁴ Schurch, Thomas W. “Mile Square.” The Encyclopedia of Indianapolis. David J. Bodenhamer & Robert G. Barrows, (Eds.). Indianapolis, IN: Indiana University Press, 1994. p. 1008.

Introduction**Neighborhoods**

Indianapolis is a rich tapestry of traditions, cultures, and heritage. Its neighborhoods are differentiated by “distinctions of urban geography, both natural and man-made.”⁵ Indianapolis neighborhoods effuse, as from the White River, along “historic patterns of settlement and growth, the development of speculative housing, and the incorporation of previously independent communities.”⁶

Transportation infrastructure, residential and economic development are among the distinctions which have allowed neighborhoods to thrive. Where neighborhoods thrive one finds good jobs, well-maintained and affordable housing, a cleaner environment, a more caring and inclusive community, strong support of the arts, safe streets, good schools, accessible and affordable transportation, and activity-filled parks. Where neighborhoods do not thrive, one finds blight. As Indianapolis Mayor Bart Peterson has said, “Blight in neighborhoods and buildings invites criminal behavior, reduces property values and brings a neighborhood down.”

To avoid the perils of the latter, Indianapolis strives to support the former. Over the last year, the City administration has put forth a concerted effort to drive out blight by strengthening code enforcement, expanding positive community influences, and giving families the resources to excel. These positive influences include after-school programs, skills that allow citizens access to good jobs and a decent standard of living, schools that have the resources to excel in their mission, and an environment that affords a healthy place to live and work.

Affordable housing for Indianapolis citizens is an essential component of a thriving community. In 2001, a joint effort between city and federal governments and private developers saw the launch of Fall Creek Place, a once crime-ridden neighborhood where housing stock and public infrastructure had severely deteriorated. By the spring of 2002, individuals moving into the neighborhood and existing residents had committed to building, renovating or rehabilitating about 200 homes.

In April 2002, the Mayor’s Housing Task Force unveiled a “Blueprint to End Homelessness” in Indianapolis. The Blueprint is a call to action for the community to work together more effectively to stem the tide of homelessness. More than 15,000 people experience homelessness in Indianapolis each year. Led by Mayor Peterson and the Indianapolis Housing Task Force, this year-long intensive planning effort has involved hundreds of Indianapolis residents, from those who are homeless to elected officials, as well as national experts on homelessness.

⁵ Hulse, Lamont J. “Neighborhoods and Communities.” The Encyclopedia of Indianapolis. David J. Bodenhamer & Robert G. Barrows, (Eds.). Indianapolis, IN: Indiana University Press, 1994. p. 132.

⁶ Ibid.

Introduction**Arts and Culture**

Arts and culture are key parts of the of the Indianapolis community fabric. They improve the quality of life and are integral components in Indianapolis' role as a modern metropolis. Arts and culture in Indianapolis denotes any experience that portrays greater Indianapolis; its people, diversity, and character.

Indianapolis is brimming with traditional arts and culture attractions. Established in 1883, the Indianapolis Museum of Art is both an art museum and a 152-acre botanical garden. The museum's grounds contain five pavilions, a lecture hall, a theater, a concert terrace, a restaurant, shops, and a greenhouse. Its permanent collection includes neo-Impressionist art, Chinese art, and African art. The Eiteljorg Museum of American Indians and Western Art is one of just two museums east of the Mississippi that feature both American Indian and Western art. The Eiteljorg's American West gallery includes works from the Taos, New Mexico artists' colony, as well as pieces from such legends as Remington and Russell. Contemporary artists who tell the story of today's West are also represented along with Native American art, which includes pottery, basketry, sculpture, and other artifacts from all 10 North American native cultural areas.

Indianapolis is also the home of the world's largest Children's Museum. The museum's collection includes a prehistoric gallery, a steam-engine exhibit, a model train gallery, an outdoor garden gallery, and a 130-seat planetarium.

White River State Park, located just outside downtown, is the state's first metropolitan state park. The Indianapolis Zoo is located in the park and houses 4,000 animals in simulated natural habitats. Next to the zoo is the White River Gardens, which includes a glass-enclosed conservatory, outdoor gardens, a water garden, and 1.5 miles of winding paths and walkways. Also located in the park are the IMAX 3-D theater, the National Institute for Fitness and Sport, the NCAA headquarters and Hall of Champions, and the new Indiana State Museum. Opened on May 22, 2002, the new state museum tells the state's story in high-tech, high-touch exhibits that chronicle Indiana's past, present and future. The museum—made possible by a combination of public and private funding—explores Indiana's art, science, and culture.

Another cultural attraction is the Soldiers and Sailors Monument, the centerpiece of Monument Circle, located at the center of Ralston's "Mile Square" plat. The monument memorializes the lives and dedication of Indiana's Civil War veterans. The monument was originally designed by Bruno Schmitz of Germany and completed by Rudolf Schwarz of Austria. Schmitz's design was of "terraced steps, foundations, pools, an obelisk shaft, and an abundance of statuary,"⁷ including the crowning figure of *Victory*. This design was executed between 1888 and 1902 and stands 284 feet, 6 inches high. Every year the monument is transformed into the world's largest Christmas tree.

⁷ Gadske, Mary Ellen, et al. "Soldiers and Sailors Monument." The Encyclopedia of Indianapolis. David J. Bodenhamer & Robert G. Barrows, (Eds.). Indianapolis, IN: Indiana University Press, 1994. p. 1278.

Introduction**Business**

Indianapolis is one of the most populous cities in the world not located on a navigable waterway, although the City is a hub of road, rail, and air transportation. In fact, Indianapolis epitomizes the state logo, “Crossroads of America,” with more intersecting segments of interstate highway than any other metropolitan area.

Despite a sluggish national economy in 2001 and the economic effects from 9/11, Indianapolis has continued to demonstrate its economic resiliency. There are a number of signs that Indianapolis’s economic health is strong. Locally based companies, including SMC Corporation of America, Solution Technology Inc., and Trilithic Inc., contributed to creating 3,800 new jobs, and invested \$250 million in capital. In all, expansion efforts were responsible for retaining 4,900 jobs and creating a \$2.4 billion impact on the local economy.

Economic activity for the Central Indiana region is anchored by research and life sciences hubs, such as Indiana University-Purdue University Indianapolis, where state-of-the-art research and development is conducted. Nearing completion is the Clarian People Mover, an electric monorail that will link the two campuses of Clarian Health, along with the hospital corporation's patients, health professionals, and researchers. The 1.5-mile system will be available to the public. In February 2002, the Central Indiana Life Sciences Initiative — led by the Central Indiana Corporate Partnership (CICP), the City of Indianapolis, Indiana University (IU), Purdue University (PU) and the Indiana Health Industry Forum (IHIF) — was formed. The Life Sciences Initiative seeks to increase the number of jobs, businesses, and research opportunities in the life sciences industry in Central Indiana.

Transportation is another important sector in Indianapolis’ economy. The Indianapolis International Airport in 2000 – the last year for which statistics are available – routed 7.7 million passengers, both domestic and international, through its gates. The airport is served by 22 commercial passenger airlines with an average of 357.2 daily departures to an average of 45 non-stop destinations. Additionally, the airport handled 1,284,930 tons of mail and freight in 2000. To meet increasing demand, the Indianapolis International Airport is in the preliminary stages of constructing a new midfield terminal.

Indianapolis consistently ranks among the best places in the country to start and grow a business and among the best places to live. Ranked seventh on Expansion Management Magazine's “Hottest Cities” list, Indianapolis has received abundant praise for its business climate. Indianapolis was named in Employment Review as one of America’s best places to live and work. Indianapolis ranked fifth on Entrepreneur Magazine’s 1996 list of the 30 best cities for small business. And Cognetics – a Massachusetts research firm – cited Indianapolis as one of the top spots for entrepreneurs, ranking fifth overall among the nation’s top 50 metro areas, and the only northern city ranked in the top ten.

This business climate makes Indianapolis a popular place for corporate growth and entrepreneurship. Among the major national and international companies located in Indianapolis are Eli Lilly & Co., Anthem Insurance, Conseco, Clarian Health, Escient, Bank One Indianapolis, Allison Transmission, United Airlines, Mays Chemical, Allison Engine Co., Simon Property Group, Indianapolis Motor Speedway Corporation, Federal Express, American Trans Air, and Navistar International Transportation.

Introduction

Indianapolis boasts a vibrant downtown. Here, several projects were launched or completed last year. Those include the Artsgarden Tower, a residential development in the heart of downtown; the demolition and redevelopment of Market Square Arena, ribbon-cutting on the 1.3-mile-long urban canal and the near completion of the \$113 million Central Waterfront Project. After making heavy investments to revitalize downtown, the city's efforts bore fruit in 2001 as developers announced a series of projects to bring residents back to the city's center. Last year alone, 230 new housing units were completed as plans for 460 more were announced.

Sports

Indianapolis has also made a name for itself in the world of sports. It boasts several major-league teams; the Indiana Pacers of the National Basketball Association, the Indiana Fever of the Women's National Basketball Association, the Indianapolis Colts of the National Football League, and the Indiana Firebirds of the Arena Football League. Other professional sporting events of note are the RCA Tennis Championship hosted annually at the Indianapolis Tennis Center and the Brickyard Crossing Golf Tournament of the Senior PGA.

Indianapolis also hosts several minor-league teams. Baseball's Indianapolis Indians, a farm team for the Milwaukee Brewers, play in Victory Field, one of the most attractive downtown ballparks in the country. The International Hockey Association's Indianapolis Ice play in the Pepsi Coliseum. Both sports have a rich history in Indianapolis. The Indians have been in existence since 1902, and although the Ice were formed much more recently, in 1988; Indianapolis has had hockey teams since 1939.

Indianapolis is well known for the Greatest Spectacle in Racing, the Indianapolis 500. The race has its roots in the early twentieth century, when Indianapolis was home to ten automotive manufacturing firms. In 1909, Carl Fisher and three partners formed the Indianapolis Motor Speedway Company and opened the famous 2½-mile track for private testing and occasional racing. The first 500-mile race was held two years later. Since 1957, the 500 Festival, a huge celebration that includes concerts, a half-marathon, and the nation's second-longest parade, has preceded the race. Since 1994, the track has hosted the Brickyard 400 stock car race as well. In 2000 the United States Grand Prix joined the stable of races at the Motor Speedway on a newly constructed 2.606-mile road course.

And of course Indianapolis is famous for amateur sports, so much so that we have been dubbed the Amateur Sports Capital of the World. Amateur-sports organizations—for gymnastics, diving, track, and others—have been settling here in increasing numbers. The national headquarters of the National Collegiate Athletic Association moved to Indianapolis at the end of 1999. Indianapolis has hosted numerous amateur sports events - most memorably the World Police and Fire Games in 2001 and the Pan American Games in 1987. The city has also been fortunate to host the Men's NCAA Final Four in 1980, 1991, 1997, and 2000. The tournament returns to Indianapolis in 2006. In 2002 the city hosted both the men and women's Big 10 Basketball tournaments.

Introduction

Sports facilities in Indianapolis that foster the city's sports reputation are the RCA Dome, Conseco Field House, the Indianapolis Sports Center (tennis), the IU Natatorium (swimming and diving) and Track and Field Stadium, the Indiana World Skating Academy (ice skating) and the Major Taylor Velodrome (cycling).

Conclusion

From the City's "signature" structure, the Soldiers and Sailors Monument, radiating outward, there is a recognizable transition to the opportunities of the 21st Century. The quality of life is high and the promise of tomorrow is palpable. Indianapolis' diverse neighborhoods, rich cultural traditions, and solid economic footing embody a civic purpose that is always looking to advance.

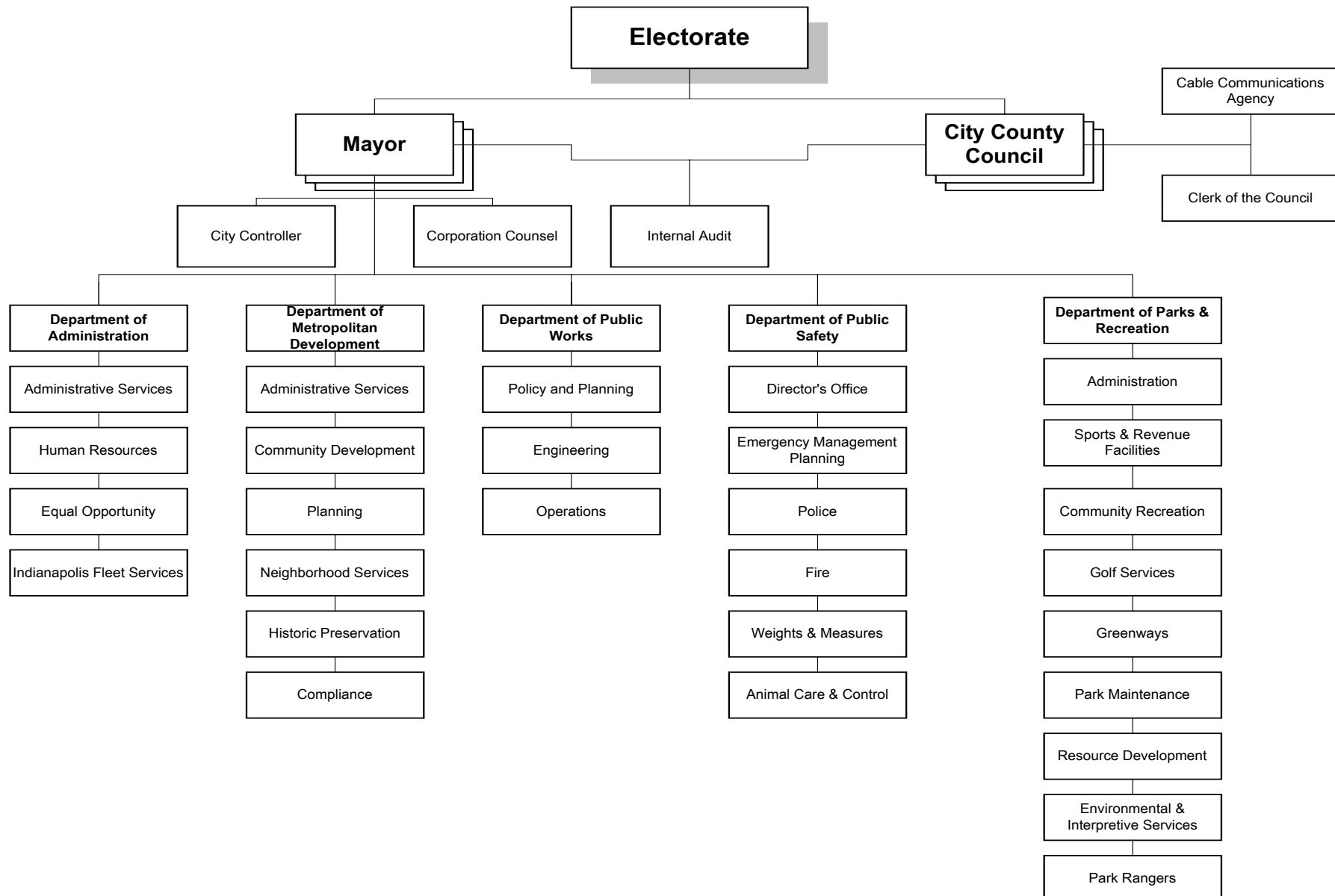
INDIANAPOLIS GOVERNMENT**Unigov**

Indianapolis and Marion County have been consolidated under a unified governmental structure since January 1, 1970. This structure, known as Unigov, combines city and county legislatures and provides a single countywide chief executive. The city-county council is made up of twenty-nine members (twenty-five from individual districts, and four elected at large). The mayor and councilors are elected every four years. The public school system, the police department and the fire department are not consolidated. Several other county offices are not merged—for example, the assessor, auditor, clerk, coroner, prosecutor, recorder, sheriff, surveyor, and treasurer—because they are provided under the Indiana Constitution. Also, the incorporated cities of Beech Grove, Lawrence, and Southport, and the town of Speedway, are left out of the consolidation, but are allowed to vote for the chief executive, the county-wide councilors, and their own city officials.

Organization

The 2003 City budget reflects a reorganization of City agencies. Departments and divisions have been realigned to streamline delivery of City services.

Organization Chart



Introduction*Executive and Legislative*

The primary function of the Executive and Legislative Department is to develop and enforce laws for the City of Indianapolis. The department includes the Mayor's Office, the City-County Council, the Cable Communications Agency, the Office of the Corporation Counsel, the Collection Division, the Office of the City Controller, and the Purchasing Division.

The Mayor's Office, in conjunction with the City-County Council, strives to provide effective and responsive leadership for Indianapolis's citizens. The City-County Council also establishes tax rates, reviews and recommends the annual budget, and confirms appointments by the Mayor. The Cable Communications Agency provides the public with information regarding City-County governmental actions. The Office of the Corporation Counsel provides city and county agencies with legal advice and services. The Collection section of the Office of Corporation Counsel is the City's debt collector. The Office of the City Controller is responsible for financial management of the City. The Purchasing Division makes and records all purchases and disposes of assets for the City-County entity.

Department of Administration

The Department of Administration provides the necessary internal services to keep the other operating agencies of City government functioning. Divisions within the department include Administrative Services, Equal Opportunity, Human Resources, and Indianapolis Fleet Services.

Department of Administration provides the employees of the City-County with the incentives, programs and services they need to work proficiently. The Equal Opportunity office ensures that the City-County, as well as community businesses, offers equal employment and business opportunities to everyone. The Human Resources division coordinates matters of employment, compensation, risk management, and labor/employee relations for city agencies. The city does all of its hiring through Human Resources. Indianapolis Fleet Services maintains all municipal vehicles.

Department of Metropolitan Development

The Department of Metropolitan Development plans and implements projects and services focused on public safety, jobs and economic development, affordable housing, and the empowerment of neighborhoods through citizen participation.

Introduction*Department of Public Works*

DPW is responsible for sanitation, including trash pickup and sewage disposal. Other activities include wastewater treatment and disposal, maintenance of infrastructure (including flood control levees and drainage systems), street maintenance, and the protection of City environmental resources, including air pollution control.

The Department of Public Works also plans, designs, and constructs streets and roads in Marion County. Other responsibilities include infrastructure planning; designing sanitary and stormwater systems, wastewater transportation systems, and drains and levees; and completing flood control projects. Excluded from the department's control are (1) interstate, U.S. and state routes under jurisdiction of the Indiana Department of Transportation and (2) local streets within incorporated cities and towns in Marion County.

Department of Public Safety

The Department of Public Safety maintains order and protects the rights and property of Indianapolis citizens. The department divisions include Police, Fire, Emergency Management Planning, Animal Care and Control, and Weights and Measures. The Director coordinates the activities of Public Safety divisions with other state and local agencies, and plans cooperative efforts with various criminal justice agencies.

Department of Parks and Recreation

The Department of Parks and Recreation offers public recreation programs and manages neighborhood, community and regional parks, sports complexes, park enhancement and beautification programs, greenways and the park-ranger program. A diverse array of programs are provided at over 150 sites, which include aquatic areas, community centers, nature parks, golf courses and other sports and special facilities.

THE INDIANAPOLIS CITY BUDGET

Beginning in April, the department heads, along with the offices of the Mayor and the City Controller, develop budgets for the next calendar year for divisions within their departments.

State statute and Council ordinance require the City to adopt annual balanced budgets—that is, revenues plus fund balance must equal or exceed appropriations. The major classification of appropriations is the character level, which corresponds to the Governmental Accounting Standards Board definition of object. The characters of expense are personal services, supplies, other goods and services, properties and equipment, and internal charges.

Operating appropriations lapse at year-end unless they are encumbered. A purchase order is recognized as an encumbrance against available appropriations. Total appropriations for capital projects funded by bond issues are set within the bond resolution and do not expire at year-end.

In July, the City Controller prepares budget ordinances that are introduced by the Mayor to the City-County Council at the first meeting in August. The Controller adds the June 30 cash and investment balance to the estimated second-half revenues; this amount is reduced by the remaining appropriations and the additional anticipated appropriations to arrive at the current year December 31st projected budgetary fund balance. This balance,

Introduction

along with the estimated miscellaneous revenues, is reduced by the budgeted appropriations to arrive at the amount to be funded by property taxes. This amount must be less than the maximum levy unless an appeal to the State Board of Tax Commissioner is successful.

These ordinances are assigned to the appropriate Council Committee, which conducts public hearings during August and September. Prior to the last Council meeting in September, the budget levy is advertised twice in two newspapers. The Council may not pass a budget above the levy advertised.

The State Board of Tax Commissioners reviews the budget before certifying the levy; a levy above the limits may be granted if the excess levy meets the state law requirements. The Tax Commissioners are required to certify the levies, tax rates and budgets by February 15th.

During the year, the City-County Council may amend appropriations upon request by the Controller to transfer unencumbered appropriations from one character to another in the same fund. Additional appropriations requests are submitted to the Controller's office to determine if sufficient additional revenues or fund balance is available. The State Board of Tax Commissioners must approve any request supported by property tax revenues or Motor Vehicle Highway moneys. These situations require advertisement to notify the public.

Non-ordinance budget transfers occur as needed. Budgets are controlled at different levels depending on what departments want. For example, the Animal Care and Control division's budget is controlled at the *object* level. Thus, when there is insufficient money available within a particular object of the Animal Care and Control division's budget, the division must request a transfer from another object before they can process a purchase order or direct payment from their budget. For budgets involving federal funds, the budget is usually controlled at the *grant* level, while capital funds are sometimes controlled at the *project* level. Most departments' regular operating budgets are controlled at the *character* level.

After the close of the year, independent public accountants perform an audit. The Report of Independent Accountants stated that the financial statements for the City of Indianapolis, Indiana at December 31, 2000 showed fairly, in all material respects, that the financial position of the City, the results of operations, and the changes in financial position were in conformity with generally accepted accounting principles (GAAP).

Comparison of the budget with the annual financial report may be misleading, as the budget is prepared on the cash basis while the annual financial report is prepared on the modified accrual basis.

Fund Structure

Because of the overlapping geographic boundaries of several service districts and the budgetary fund structure required by state law, the fund structure in Indianapolis is not typical of most cities. The City maintains a chart of accounts to comply with GAAP for financial reporting purposes, but prepares the operating budget in accordance with state laws, not GAAP. Certain funds are excluded from budgets by state laws—Trust and Agency, as well as Special Assessment Funds.

The *General Fund* in Indianapolis is comprised of funds which are identified by the geographic boundary of a service district and which contain budget data not required to be accounted for in another fund:

Introduction

Consolidated County	Fire Special Service District
Flood Control General	Maintenance Operations General
Park General	Police Special Service District
Redevelopment General	Sanitation General
Solid Waste Collection	Solid Waste Disposal
Transportation General	

Special Revenue Funds are restricted for use by federal or state government or they are special-purpose funds established by Council authority. Certain special revenue funds may be excluded from budgets by state provisions. Those budgeted by the City are:

Federal Grants	Federal Law Enforcement Fund	Non-Lapsing Federal Grants Fund
State Grants	State Law Enforcement Fund	Non-Lapsing State Grants Fund
Parking Meters		

Debt Service Funds are budgeted for payment of General Obligation Bond principal and interest. These include:

Civil City Sinking	Flood Control Sinking
Sanitary Sinking	Park Sinking
Redevelopment Sinking	Metropolitan Thoroughfare Sinking

Capital Project Funds account for the construction, acquisition, or maintenance of major fixed assets. They include City Cumulative Capital Development and County Cumulative Capital Development funds.

Pension Trust Funds are disbursed by the City in its fiduciary capacity to covered employees. They include Fire Pension and Police Pension funds.

Enterprise Funds are used to account for the financing of self-supporting activities of the City. The City maintains the following Enterprise Fund:

Stormwater Management Utility

2003 Budget Calendar

April 10-19	First round of meetings with departments to review budgets
May 20-31	Second Round of meetings with departments to review budgets
July 2	June 30 closing of FAMIS (the city's accounting system)
July 8-17	Final meetings w/departments and Controller, as needed
July 25	Final budget narratives and numbers due, based on negotiations held the previous week
Aug. 5	Budget is introduced to Council
Aug. to Sept.	Council committee hearings on budget
Aug. 26	Public Hearing on Budget
Sept. 16	Council votes on final Budget
1 st week of Oct.	State Tax Board reviews the Budget
Feb. 2003	State Tax Board approves final Budget

Introduction**ACKNOWLEDGEMENTS**

The annual city budget is prepared with the cooperation of each city department. The City Controller under the Mayor's direction prepares guidelines for each year's budget. The Office of the Controller issues budget guidelines to the departments through each department's Chief Financial Officer (CFO). The CFO then develops each department's budget with the guidelines. The City Controller coordinates all activities regarding budget and policy analysis for presentation to the City-County Council.

The Office of the City Controller prepared this document. The format of this document is based on recommendations from the Government Finance Officers Association, which recognizes a budget as a policy tool, an operations guide, a financial plan, and a communications medium. This budget document is also intended to promote understanding of local government and the services it provides to our citizens.

Appreciation is extended to the Controller's Office staff and the staff of the City Departments that have contributed to the preparation of this document.

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